Loss Suffered by UTI

967. DR. GOPALRAO VITHALRAO PATIL: Will the Minister of FINANCE be pleased to state:

(a) what is the. Net Asset Value (NAV) of US 64 unit of the Mutual fund of UTI;

(b) whether Government propose to support it through Reserve Bank of India, Financial institutions, State Bank of India and other Nationalised Banks;

(c) where and how much the UTI has invested and whether UTI has purchased the shares of Reliance Industries and at what price and how many; and

(d) what is the loss of the Unit Trust of India during 1996, 1997 and 1998?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) As per information provided by Unit Trust of India (UTI) Unit Scheme 1964 (US-64) is not an NAV based product. Therefore Sales and Repurchase Prices of Units of US-64 arc not NAV driven.

(b) in terms of Clause 20(2)(1) of UTI Act, 1963 UTI can borrow from RBL

(c) The details of UTTs investment alongwith its investment in shares of Reliance Industries is as follows:

Portfolio Composition as on 30.6.1998

Investment	All schemes	%
Equity	31984	53
Debentures	19249	31
Govt. Securities	2517	4
Others (e.g. money Market short term Investments and Fixed assets)	7360	12
TOTAL	61110	100

During the period July 95 to June 98. UTI purchased 20014650 Reliance Shares from the market (after adjusting for the bonus) at an average price of Rs. 160.58.

(d) According to UTI no loss was incurred during the last three years.

Losses Suffered by Investors through Deposits in NBFCs etc.

968. SHRI VEDPARKASH P. GOYAL: Will the Minister of FINANCE be pleased to state:

(a) whether any survey has been conducted to estimate the losses being incurred by the investors on account of their depositing money with the NBFCs, fake finance, firms and plantation companies, during the last three years;

(b) what steps were being taken to regulate and safeguard the interests of the investors when these companies were flourising;

(c) whether any efforts had been made to anticipate the fakeness of such companies well in time;

(d) if so, the details thereof; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN): (a) The Reserve Bank of India (RBI) has reported that no such survey has been conducted in this regard. Under the present system, the data relating to the loss suffered by the depositors on account of the malfeasance etc. is not generated.

(b) to (e) The activities of Non Banking financial Companies (NBFCs) are regulated by RBI under the RBI Act, 1934. by an amendment in January 1997 comprehensive changes were affected in the Act vesting more powers with the RBL The act as amended provides for an entry point barrier, compulsory registration of NBFC by prescribing prudential norms, accounting standards etc. During the period from January 1997 till 31.10.98 prohibitory orders were issued in respect of 41 NBFCs from accepting deposits. Winding up petitions

were filed against five companies and prosecution proceedings were launched against eight companies. Police complaint for chearing members of public was against one company. Government has also initiated action in implementing the recommendations of the Task Force. The recommendations include installation of an off-site surveliillance mechanism so that signs of irregularities in functioning of NBFCs be picked up and regulatory action initiated.

In terms of the amended provisions, the unincorporated bodies whose principal business is that of receiving deposits or lending in any manner have been prohibited from accepting any deposits. The unincorporated bodies, which accept deposits in violation of the provisions can be prosecuted under the Act. The State Government have been concurrently empowered in this behalf.

The task of regulating entities which deal with collective investment schemes was assigned to the Securities and Exchange board of India (SEBI) in November, 1997. SEBI issued Public notices asking all such entities to file information about their schemes with SEBI, based on investor complaints. SEBI has also initiated Court proceedings against five entities.

Criteria for Appointment on Compassionate Grounds in SBI

969. SHRI SURYABHAN PATIL VAHADANE: Will the Minister of FINANCE be pleased to state:

(a) the criteria framed by State Bank of India for making appointment on compassionate grounds;

(b) the number of persons appointed in Agra Zone of State Bank of India under such category during the years 1996, 1997 and 1998 till date alongwith the details of applicants whose request have been turned down; and

(c) the details of applications received from family members of deceased officers vorking in Hasayan branch of SBI in Agra zone during above said period and the disposal of the same?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M. R. JANARTHANAN): (a) Compassionate Appointment is offered to the dependents of employees dying in harness, leaving their family in penury and without any means of livelihood. The financial condition of the family is, therefore, main criterion for determining the eligibility for such compassionate appointments. While determining the financial condition of the family, the bank takes into account the amount of family pension, amount of Gratuity and other retirement benefits received by the family, proceeds of Provident fund. Insurance Policies or other investments, if any, income from any other source or of any other family members from employment or otherwise. The liabilities at the time of death and the size of family is also taken into consideration. The bank is following the guidelines issued by the Government from time to time in this regard.

(b) The details arc given below:

	1996	1997	
Appointed	11	6	5
Rejected	—	2	2

In addition to above, sanction has been accorded for appointment in 4 cases.

(c) One case relating to compassionate appointment to dependent of Ex-Deputy Manager of Hasayan Branch was received but the case was turned down as the financial position of the family did not warrant compassionate appointment.